

**AMERIND Liaison Report
To
NWIHA Executive Committee
And
Quarterly Report NWIHA Meeting - 09/12/2023**

ARMC Highlights

Derek Valdo plans to attend the NWIHA meeting virtually and will present his report (see Derek's report attached). I believe that Felix McGowan, AMERIND's Director of Critical Infrastructure and possibly Delane Big Drow, Director of Safety, may be attending the NWIHA meeting in person. Derek has provided a report that is attached to this report.

AMERIND's Board met on August 8-10, 2023, for a Regular Board meeting. During that meeting, the Board learned that two of the Cells (the IHBG and the NAHR) are experiencing extremely high loss ratios through the first two quarters of this current year. Derek explained the steps that have been initiated in an effort to stabilize the NAHR (Homeowners and Renters) program over the next three years. As is the case most years, the IHBG program experiences losses that exceed what the Board and staff would like to see but it is the core program of AMERIND and AMERIND has pledged to be there for its members and continues to take the measures necessary for the coverage members need.

The recent years claim loss experience and the volatile rate increases in re-insurance rates being experienced world-wide has resulted in AMERIND taking on a more significant level of the reinsurance levels that ever experienced. The insurance world is being impacted significantly by the catastrophic losses experienced in storms and fires during the past few years and this year worldwide. The AMERIND Board will continue to monitor the performance of its cells and continuously looks at all options available to make AMERIND's operations successful for year to come.

Also, during the recent Board meeting, the Board selected Nashville, Tennessee to be the location for the next AMERIND Business Meeting. The site selected for the meetings will be the Music City Sheraton Hotel. This meeting is tentatively scheduled for the week of October 14th, 2024. I have not heard if NAIHC is planning to consider a joint meeting this year or not.



EXECUTIVE SUMMARY

Objective

Provide update on operations performance of AMERIND's Tribally Focused Programs. Actuals are based on unaudited financials as of 06/30/23.

Mission Update

	Actual	Prior	Goal
1) Be here for as long as Tribes need us	\$118M	\$101M	\$1,110M ← Self-Sustaining
2) Keep Indian money in Indian Country	\$87M	\$71M	\$250M ← 51% of Tribes

Operating Unit	Sustainability Ratios		Operating Revenue	Change %	At a glance	Retention and Reserves	Catastrophic Exposure
	95% Combined Ratio	90% Operating Ratio					
NAHASDA			(Millions)			(Millions)	
2Q 2023	165%	129%	8.9	-12%	Negative outlook, declining results	1st Ret: \$3	2nd Cat: \$3+\$3
2Q 2022	70%	131%	10.1	26%		Res: \$42.5	TIV: \$10,000
2Q 2021	138%	100%	8.0	0%		Res Goal: \$580	PML: \$58 -> \$111
Native American Homeowner's and Renters							
2Q 2023	146%	136%	4.5	10%	Negative outlook, out of compliance	1st Ret: \$0.5	2nd Cat: \$0.5+\$1.8
2Q 2022	93%	114%	4.1	9%		Res: -\$1.7	TIV: \$2,700
2Q 2021	116%	105%	3.8	11%		Res Goal: \$290	PML: \$29 -> \$55
Tribal Governments and Businesses							
2Q 2023	51%	40%	14.0	47%	Stable, high growth, huge exposures	1st Ret: \$3	2nd Cat: \$3+\$3
2Q 2022	49%	77%	9.6	36%		Res: \$27.1	TIV: \$7,500
2Q 2021	92%	75%	7.0	39%		Res Goal: \$580	PML: \$58 -> \$111
Tribal Worker's Compensation							
2Q 2023	56%	40%	6.4	1%	Stable, neutral, strong results	1st Ret: \$2	2nd Cat: \$2+\$2
2Q 2022	52%	77%	6.3	35%		Res: \$20.4	
2Q 2021	82%	67%	4.7	7%		Res Goal: \$200	PML: \$20
AMERIND Re							
2Q 2023	11%	-8%	5.9	33%	Irratic results, huge exposures	Ret: \$3.4 - \$15M	No Reinsurance
2Q 2022	9%	42%	4.4	56%		Res: \$29.2	TIV: \$20,000
2Q 2021	68%	44%	2.8	-10%		Res Goal: \$580	PML: \$58 -> \$111

AMERIND Benefits			AMERIND Critical Infrastructure			
	Ops Ratio	Rev		Ops Ratio	Rev	
2Q 2023	58%	0.4	Stable	137%	0.2	Stable
2Q 2022	73%	0.3		46%	0.6	
2Q 2021	59%	0.3		22%	0.3	



Insure Confidently

Operational Highlights through June 30, 2023

- Core program – IHBG performing at **165%** with a **loss** from operations of **\$5.750M**
- All other programs – performing at 59% with income from operations of \$13.0M
- Total Net Investment Income and Other Expense: \$5.4M
- Total Net position increased \$12.681M

2023 Staffing

Jobs at AMERIND – **56%** Native American operated / **90%** AINS Designated

	2021 FTE	As of 12/31 2022 FTE	YTD 2023 FTE	Budgeted 2023 FTE
Total Staffing	55	69	70	94

2023 Capital Improvements

Actual	Budget
\$0.717M	\$1.015M

Board Oversight through 04/28/2023

- Approved CEO NM MFA re-appointment, FOCUS program addition of AVCP

Regional Fire Incentive through 06/30/2023

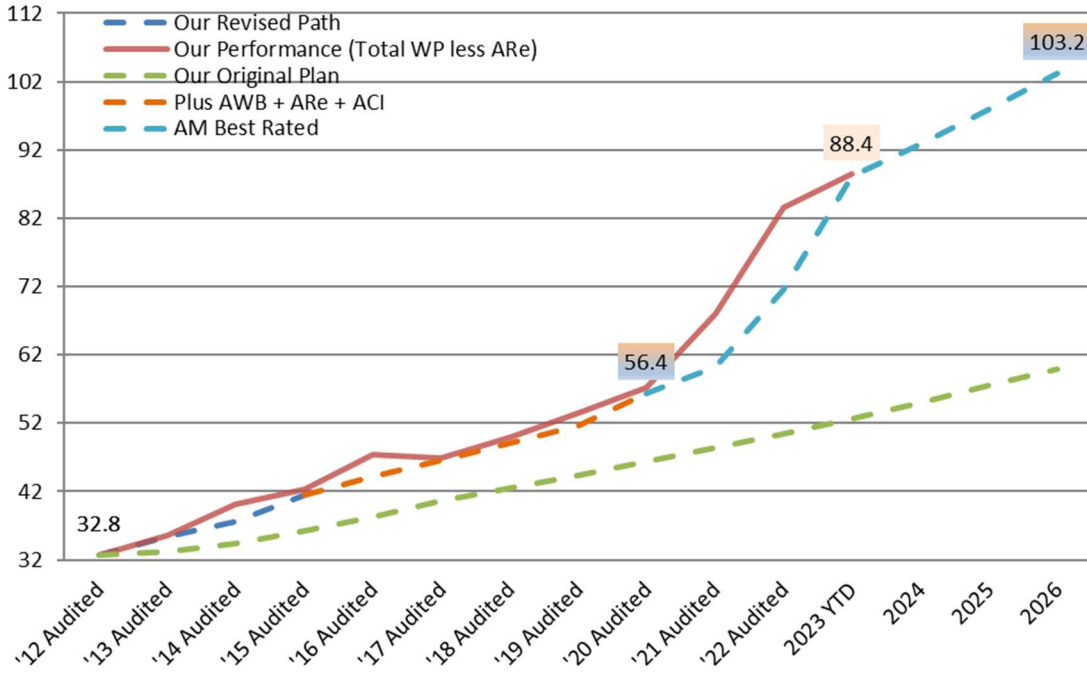
Region	Property Premium (Less Ops/Reins)	Total Incurred (FIRE ONLY)	Loss Ratio	Incentive Level %	Incentive Amount
Region 1	\$1,034,810	\$372,183	36%	20%	\$20,000
Region 2	\$1,201,008	\$292,106	24%	20%	\$20,000
Region 3	\$2,810,263	\$272,723	10%	20%	\$20,000
Region 4	\$2,839,887	\$891,467	31%	20%	\$20,000
Region 5	\$1,200,060	\$-	0%	20%	\$20,000
Region 6	\$928,523	\$426,188	46%	20%	\$20,000
Region 7	\$1,266,987	\$-	0%	20%	\$20,000
Region 8	\$1,348,986	\$204,673	15%	20%	\$20,000
Region 9	\$1,679,814	\$1,740,883	104%	0	\$-
TOTAL	\$14,310,337	\$4,200,224	30%	160%	\$160,000

2023 Corporate Objectives – Mid Year

1. 95% Combined Ratio (TGB, NAHR, TWC, ACI & AB)	Actual 67.2%
2. 5.4% Net Growth and Retention (TGB, NAHR, TWC, ACI & AB)	41.8%
3. Team Rocks (Teamwork, Tech Capacity, Customer Service)	Yes

2019 - 2026 Strategic Planning

Current Market Position



Impact of Diversification on IHBG and Sustainability

